

## DISCUSS SETTLEMENT TERMS

Well before auction day, be clear on your preferred settlement period. You may be able to negotiate and agree to a different settlement period to that stated on the draft auction contract.

## OFFERS PRIOR TO AUCTION

In some cases, the vendor may consider an offer prior to auction. After inspecting the property, it is advisable to tell the selling agent of your interest. This ensures you will be advised of any pre-auction day offers made by other prospective buyers. As pre-auction offers are unconditional, all of your pre-purchase due diligence (finance, etc.) should be completed in advance. A deposit and cooling-off waiver are normally required as part of the offer paperwork. Talk to the selling agent for further details.

## REGISTER AS A BIDDER

Registration can be done on or before auction day. In order to do this, you will require proof of identity in an approved form, e.g. current driver's licence or passport. Once you are registered for the auction, you will be given a bidding number.

## BIDDING IN PERSON OR THROUGH A REPRESENTATIVE

Ideally, all individuals in your proposed buyer entity (husband and wife for instance) should be present at the auction for registration, bidding and signing of the contract. Alternative arrangements can be made for remote bidding, or bidding through a representative, but please discuss these options with the selling agent well in advance of the auction.

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## AUCTION DAY

### MAKING BIDS

Clearly display your bidding number every time you bid. You may choose to announce the amount you are bidding or nod to the auctioneer when agreeing to the nominated bidding amount. Set yourself an upper limit but also factor in any personal value the property may hold for you. What value do you place on owning the property? Are there benefits of ownership such as views or location that hold personal value to you?

### IF THE PROPERTY REACHES THE RESERVE PRICE AND YOU ARE THE FINAL BIDDER

Congratulations – you have purchased the property! All that is left to do now is to sign the contract and pay the 10% (or agreed) deposit. This is typically in the form of a personal or bank cheque or BPAY. The deposit is usually held by the seller's real estate agent, in a trust account until the settlement date.

### IF THE PROPERTY HAS NOT REACHED RESERVE PRICE AND YOU ARE THE FINAL BIDDER

You will have the first right to negotiate at the seller's reserve price under auction conditions. Otherwise, the selling agent can then speak with other interested buyers. Should these negotiations be unsuccessful, the property will generally be placed on the market for private treaty at a price agreed to by the seller.

**BLACKSHAW**

ESTATE AGENTS | PROPERTY MANAGERS | AUCTIONEERS

# Home Buyers Guide

[blackshaw.com.au](http://blackshaw.com.au)



A STEP-BY-STEP GUIDE FOR  
WHEREVER YOU ARE ON  
YOUR PROPERTY JOURNEY.

At Blackshaw, we believe it is essential for all buyers to be prepared for what is involved throughout the purchasing process.

## **PURCHASE BY PRIVATE TREATY**

Sale by private treaty occurs when a home is advertised for sale at a set price or within a price range and private offers are invited.

### **PREPARE YOUR FINANCE**

It's best to have your finance pre-approved before you start house hunting, so you are able to act immediately when you find the right property. You need to be clear on how much you can borrow and spend, taking into consideration your deposit, stamp duty and legal costs.

### **REQUEST THE CONTRACT AND PROPERTY REPORTS**

Obtain a copy of the contract and review it carefully. If purchasing a standard residential property in the ACT, the contract contains copies of the building, pest and energy reports. Contracts for some unit title properties (usually apartments and townhouses) will include an energy report and detailed body corporate records. It is advisable to go over these

documents thoroughly so you are aware of any restrictions or particular conditions associated with the property. If you are unsure about the contract or have any queries, have it examined by your conveyancer.

### **COMMUNICATE YOUR INTEREST**

If you intend to make an offer it is advisable to tell the selling agent of your interest. Ask the selling agent questions about the level of interest from other buyers, if there have been any other offers on the property (and why they were declined), and how long the property has been on the market.

### **HOW MUCH TO OFFER**

Before making an offer, you must decide the maximum limit you are willing to spend on the property. It's important to understand the market and the value of properties in the neighbourhood, the popularity of the suburb you are looking at buying into, as well as what is currently on the market in the area and what has recently sold.

### **COOLING-OFF PERIOD**

Sometimes, a purchase by private treaty entitles buyers to a cooling-off period. The length of this period is determined

by legislation and varies between the various states and territories.

### **DISCUSS SETTLEMENT TERMS**

Before making an offer, be clear on your preferred settlement period and other terms and inclusions. Terms include settlement length (e.g. 30, 60, 90 days), whether your offer is subject to inclusions (e.g. furniture, dishwasher), or other changes to the property (e.g. repairs or approvals).

### **MAKING AN OFFER**

Once you have completed the necessary preparations, the process of making an offer is actually very simple. Offers can be made verbally or in writing. Simply contact the selling agent and tell them what you're willing to pay for the property. In some instances, if there are multiple competing offers, your offer may be best submitted in the form of a completed purchase contract ready for immediate exchange. Your agent will help you through this process and advise.

### **WHAT HAPPENS NEXT?**

Once you have formally made your offer, the agent will liaise with the seller and get back to you. You should receive a response within 24 hours. Don't fret if your first offer isn't accepted. This is not uncommon. If you can increase your offer, continue to negotiate further with the selling agent. Some agencies may require a small holding deposit when the offer is made which can help establish goodwill. If your offer is accepted, the exchange of contracts will be arranged in due course, and then it's time to celebrate!

**BUYING A PROPERTY IS ONE OF LIFE'S BIGGEST FINANCIAL DECISIONS.**

## **BUYING AT AUCTION**

Auctions can provide you with a terrific opportunity to purchase your dream property in a fully transparent process. Understanding the requirements of each stage and what options may also be available to you can increase your ability to bid confidently.

### **BEFORE AUCTION DAY**

#### **PREPARE YOUR FINANCE**

It's prudent to be well advanced in discussions with your lender prior to bidding at auction as there is no cooling off period. You need to be clear on how much you can borrow and spend, taking into consideration your deposit, stamp duty and legal costs. It is important that you have your deposit ready for auction day. Be sure to discuss the deposit amount and payment options with your selling agent. In some cases, the owner may accept less than the standard 10% deposit.

#### **REQUEST THE CONTRACT AND PROPERTY REPORTS**

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